BRITISH COLUMBIA

BC STATS

Ministry of Labour and Citizens' Services

Infoline

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- **BC population increased by 12,539 persons during the first quarter of 2005**
- **The number of EI beneficiaries in BC edges up**
- **Canadian economy bounces back in April**

Population

- **During the first quarter of 2005, BC gained a total of 10,836 persons as a result of net interprovincial (+1,073) and international (+9,763) migration.** When the number of births minus deaths is added to the migration figures, BC's population grew by 12,539 between January 1, and March 31, 2005. *Data Source: BC STATS*

- **Total immigrant landings in BC during the first quarter of 2005 were 10,321 persons, up 18.7% from the first quarter of 2004.** Asian immigrants represented 76.6% of all landings in BC. Most of the immigrants in the business and skilled worker classes were from Mainland China. *Data Source: BC STATS*

- **More than eighty percent of the immigrants who landed in BC during the first quarter reported an intended destination within the Greater Vancouver area.** A relatively higher proportion of immigrants from non-Asian countries settled outside the Greater Vancouver area. *Data Source: BC STATS*

The Economy

- **The number of British Columbians receiving regular employment insurance (EI) benefits in April edged up 0.2% to 52,360 (*seasonally adjusted*).** There was a decline nationally, as the number of EI beneficiaries dropped 0.8%. *Data Source: Statistics Canada*

- **Receipts from restaurants, caterers and taverns in British Columbia were up 1.8% in April (*seasonally adjusted*).** Both food services (+1.9%) and drinking places (+0.2%) registered more receipts. Nationally, receipts shrank 0.3%, driven by declines in both food services (-0.3%) and drinking places (-0.9%). *Data Source: Statistics Canada & BC STATS*

Youth Court

- **A total of 5,856 criminal cases appeared before youth courts in BC in 2003/04.** Nearly two-thirds (62%) of these cases resulted in convictions. The most frequently assigned sentence was probation (49% of convictions). A further 24% of convictions resulted in community service, and 20% resulted in a custody sentence. (*Note that sentences are not mutually exclusive. For example, offenders sentenced to custody are often also subject to probation upon their release.*) *Data Source: SC, Catalogue no. 85-002-XPE. Vol. 25(4)*

- **BC has one of the lowest rates of youth court cases in Canada.** There were 181 cases per 10,000 young people in BC in 2003/04, much lower than in 2002/03 (231 per 10,000 youth). Only Quebec (147) and Prince Edward Island (175) had lower rates of youth court cases. The rate across Canada was 278, and reached as high as 710 in Saskatchewan.

  The rate of youth court cases in BC has declined almost 40% over the last five years, reflecting a growing effort to divert young people from the criminal justice system. The court rate has fallen in almost all provinces, with a decline of 21% for Canada as a whole since 1999. *Data Source: SC, Catalogue no. 85-002-XPE. Vol. 25(4)*

Movie Theatres and Drive-Ins

- **Attendance at BC movie theatres and drive-ins continued to decline as annual per-capita attendance fell from 4.1 visits in 2002/03 to 3.9 in 2003/04.** A rise in average ticket prices (+4.4%) may have contributed to the drop in attendance. Although the total number of theatres was unchanged at 100, a new regular theatre opened during 2003/2004, and seven extra screens were available to moviegoers in BC.

Report High Technology Rebound

Did you know...
BC joined Confederation on July 20, 1871 with a total population of 36,247. That's less than 1% of the current population. In the next year, the young BC provincial government took in $9 per person and spent $12 per person.

Per-capita theatre visits in British Columbia remained above the national average of 3.8. Albertans were still Canada's most avid moviegoers, with 4.6 visits per person. Newfoundland and Labrador residents, on the other hand, were the least likely to be seen in a theatre, with only 2.4 visits per person.

The falling attendance in BC caused revenues from regular theatre admission receipts and concessions to slip (-0.3%). Accordingly, the profit margin of movie theatres overall fell from 6.5% in 2002/03 to 6.3% in 2003/04.

Data Source: SC, Catalogue no. 87F0009XIE

Prices

- **Prices for BC softwood lumber plunged 19.3% in May, relative to the same month last year.** Both interior lumber producers (-18.7%) and coastal mills (-20.5%) saw the value of their product drop significantly over the twelve-month period. BC producers of pulpwood chips saw prices fall 4.7%. *Data Source: Statistics Canada*

- **Prices for Canadian manufactured goods inched down 0.3% in May compared to the same month of 2004.** Plunging lumber and other wood prices (-15.0%) were the major factor in the overall deflation. There were also significant price declines for motor vehicles & other transport equipment (-6.2%), fruit, vegetable & feed products (-4.2%), and meat, fish & dairy products (-3.7%).

  Soaring prices for petroleum and coal products (+11.0%) dampened the overall decrease. Excluding these goods, manufacturers' prices would have fallen 1.2%. *Data Source: Statistics Canada*

- **The price of raw materials increased 7.0% in May compared to May 2004.** Skyrocketing prices for mineral fuels (+14.2%) were the primary reason for the large gains, which were led by a substantial jump in prices of crude oil (+17.3%). If mineral fuels had been excluded, raw materials prices would have risen only 0.4%. *Data Source: Statistics Canada*

The Nation

- **After dipping in March (-0.1%), real Canadian GDP (*1997 chained dollars, seasonally adjusted*) bounced back 0.4% to $1,067 billion in April, led by a rebound in oil extraction and education, as well as higher retail sales.** The mining, oil & gas extraction sector resumed oil extraction in the tar sands area after a series of problems hampered production in the first quarter of 2005, posting an output recovery of 2.4% in April. The end of post-secondary student strikes in Quebec restored output in education services (+1.6%). The booming retail (+1.4%) and wholesale (+0.3%) activities were largely boosted by automotive sales.

  On the goods side, strong recovery in wood products (+4.9%) helped boost GDP in manufacturing (+0.3%). However, mild weather reduced demand for utilities, which saw GDP fall 0.3%. The fourth consecutive monthly decline in residential construction (-0.9%) dragged the overall construction activity down 0.1% in April.

  GDP for the service sector as a whole rose 0.3%. In addition to the education (+1.6%), retail (+1.4%) and wholesale (+0.3%) sectors, information & cultural industries (+0.2%), health care & social assistance (+0.3%) and administrative & waste management services (+0.5%) all posted strong performances in April. Declines in transportation & warehousing (-0.2%), arts, entertainment & recreation (-0.2%) and accommodation & food (-0.1%) services offset some of the growth in other service industries.

  Data Source: Statistics Canada

- **Total tourism expenditures in Canada (*seasonally adjusted at 1997 prices*) climbed 1.1% in the first quarter of 2005.** Domestic spending on tourism increased 1.7%, while non-resident demand edged down 0.4% compared to the fourth quarter of 2004. The most significant contributor to the rise in expenditures was the transportation sector with a 2.0% increase in demand. *Data Source: Statistics Canada*

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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Contact: Dan Schrier (250) 387-0376

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High Technology Rebound

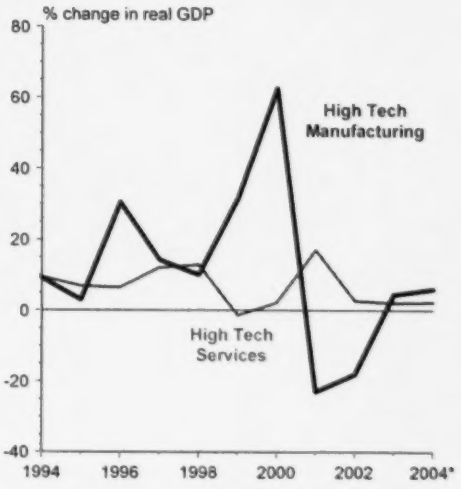
After two years of decline, British Columbia's high technology sector started to rebound in 2003, with high tech GDP expanding 3.0% from the level achieved in 2002, rising to just under $3.6 billion (1997 constant dollars). Preliminary data for 2004 indicates that the industry has fully recovered from its slump as GDP climbed a further 3.5% last year.[1]

The high tech service sector continues to fare well, with GDP rising 2.2% in 2003 and 2.3% in 2004, marking five consecutive years of growth. However, it is the manufacturing sector in which the real turnaround occurred. After two years of double-digit declines, high tech manufacturing GDP jumped 4.5% in 2003 and climbed a further 5.9% in 2004.

BC's high technology sector GDP has bounced back from a two year slump

*Data for 2004 is a preliminary estimate subject to change

Growth in GDP for high tech services has helped offset declines in manufacturing



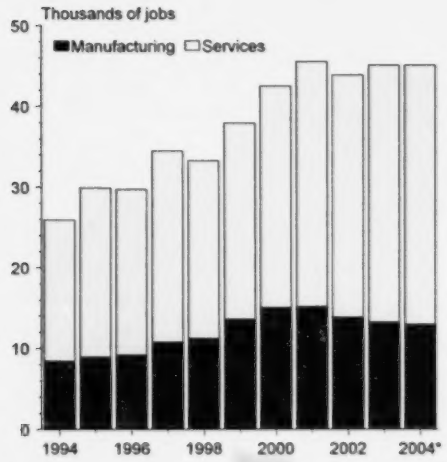
*Data for 2004 is a preliminary estimate subject to change

The divergent paths of the high tech goods and services sectors are evident in measures of employment as well. The growth in high tech manufacturing jobs in BC slowed considerably in 2001 before plunging 8.9% in the following year and continuing to drop a further 4.4% in 2003. In high tech services there was still robust growth in employment in 2001 and the decline in 2002 was marginal (-0.9%). By 2003, high tech service jobs were on the rise once again, climbing 6.0%. Preliminary data for 2004 indicates

[1] The high technology data is produced with the assistance of *Leading Edge BC*. The definition of the high technology sector used in this report is described in the document *Profile of the British Columbia High Technology Sector: 2004 Edition* available online at:
www.bcstats.gov.bc.ca\data\bus_stat\busind\hi_tech\HTPcurr.pdf
Although annual estimates for 2004 are reported here, these numbers should be used with discretion as they are preliminary and are subject to revision.

that growth in the service sector has slowed (+0.9%), while manufacturing jobs continue to disappear (-2.1%). Overall, employment in the high technology sector in BC climbed 2.7% in 2003 and remained unchanged in 2004.

Growth in high tech service jobs has offset a decline in high tech manufacturing employment

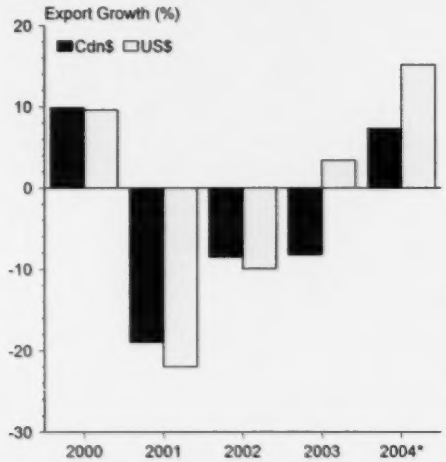


*Data for 2004 is a preliminary estimate subject to change

The increase in manufacturing output coupled with reduced employment has resulted in productivity gains in high tech manufacturing. The improved productivity continues a long-term trend that was halted in 2001 and 2002 when the nosedive in high tech manufacturing GDP was not matched by commensurate reductions in employment.

While GDP and employment in BC's high tech sector showed signs of recovery in 2003, the value of exports of high technology goods continued to decline, dropping 8.2% to $628.5 million. However, unlike the previous two years when the declines were due to a drop in demand for high tech products, the weaker performance in 2003 was mainly the result of the rapid appreciation of the Canadian dollar against its American counterpart. When valued in American currency, BC high technology exports actually increased in 2003, rising 3.4%.[2] Although the value of exports of high tech goods have rebounded in 2004, expanding 7.3%, the high Canadian dollar continues to play a role as the growth of these exports valued in American dollars was more than double that rate (+15.2%).

The drop in the value of BC high tech exports in 2003 was mainly due to the rapid appreciation of the Canadian dollar

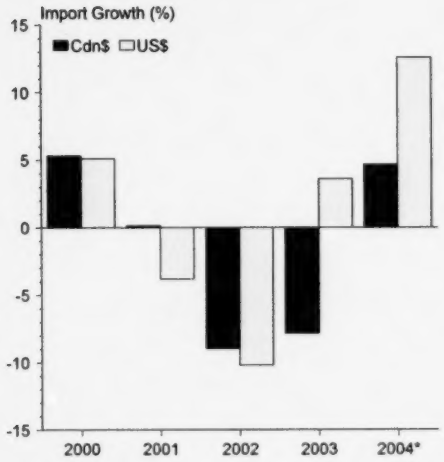


*Data for 2004 is a preliminary estimate subject to change

Contrary to what one might expect, the spiralling Canadian dollar did not result in substantial growth in the value of high technology imports into the province. The allure of less expensive merchandise did not translate into substantially higher demand for imported high tech goods. In fact, imports of high tech goods fell 7.8% in 2003, almost the same rate of decline as exports. However, similar to exports, when converted to American currency, imports actually grew, rising 3.6%. High tech imports rebounded in 2004, expanding 4.7%, but once again, the stronger loonie hid some of the growth as imports valued in US currency rose 12.6%.

[2] The value of exports was converted to US dollars using an average monthly exchange rate and applying it to monthly trade data.

The exchange rate made a big difference for high tech imports as well



*Data for 2004 is a preliminary estimate subject to change

The reason why the higher exchange rate did not immediately translate into an increase in the volume of high tech imports is possibly due to the fact that a significant amount of high tech goods imported into the province are used as inputs into BC's own high technology manufacturing. Since demand for domestically produced manufactured high tech goods was tepid in 2003, the demand for input goods imported into the province was also muted. The stronger demand for exports in 2004 has also helped boost imports.

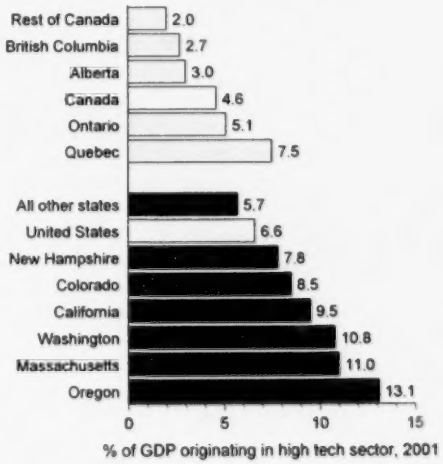
BC's High Tech Industry in Context

The high technology sector in British Columbia has experienced strong growth in the last decade and has performed well relative to other industries within the province, but in order to truly judge the size and scope of the industry, it is necessary to compare it to high tech in other jurisdictions.

Within Canada, BC's high tech industry generally ranks behind Quebec, Ontario and Alberta in most measures of size and performance. In 2003, BC's high tech sector recorded the strongest improvement among the provinces, ranking first in GDP growth after having suffered through the poorest performance among the top four provinces a year earlier. BC also had the highest increase in high tech revenues and employment and, despite an 8.2% decline in exports, still fared better than most provinces on the trade front as well.

Nevertheless, BC's high technology sector is still small relative to other jurisdictions, particularly many US states, including those in the Pacific Northwest such as Washington State and Oregon. Only 2.7% of BC's GDP was derived from high technology in 2001 compared to 13.1% in Oregon and 10.8% in Washington. The only Canadian province to exceed the US average of 6.6% was Quebec, with 7.5% of that province's GDP origin7ating in the high tech sector, well ahead of the Canadian average of 4.6%. Compared to BC, high technology played a larger role in the economies of both Ontario (5.1%) and Alberta (3.0%) as well.

Compared to BC, high tech industries play a more significant role in the economy of many American states



In 2002, approximately 4.0% of American employees worked in high technology industries. This compares to about 3.5% of Canadian employees and 2.8% of employed workers in British Columbia.[3]

Approximately 23.3% of total US domestic goods exports were high technology products, compared to only 7.1% of Canadian exports and 2.2% of BC origin exports. Quebec, with 23.4% of exports comprised of high tech goods, is the only province with a comparable ratio to the United States.

These data demonstrate that put into context with surrounding jurisdictions, BC's high tech sector is relatively small. However, high technology in BC has undergone rapid expansion in the last decade and there is no reason to suspect that it will not continue to grow. Given the importance of high technology products in today's world and the combination of lucrative revenues and well-paid employment offered by high tech, there is little doubt that the sector will continue to attract attention in British Columbia and elsewhere.

[3] The employment data comes from employer surveys and therefore self-employed workers are excluded.

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June 30 2005

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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Apr 1/05	% change on one year ago
BC	4,232.5	1.2
Canada	32,146.5	0.9
GDP and INCOME		
(BC - at market prices)	2004	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	156,481	7.5
GDP *($ 1997 millions)*	138,783	3.9
GDP *($ 1997 per Capita)*	33,072	2.8
Personal Disposable Income *($ 1997 per Capita)*	20,002	1.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Apr	3,523	-1.4
Merchandise Exports - Apr	2,652	2.2
Retail Sales - Apr	4,134	0.1
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	May '05	% change
BC	125.2	2.2
Canada	127.0	2.1
LABOUR FORCE (thousands)		
(seasonally adjusted)	May '05	% change on prev. month
Labour Force - BC	2,261	0.5
Employed - BC	2,132	0.8
Unemployed - BC	130	-5.3
		Apr '05
Unemployment Rate - BC *(percent)*	5.7	6.1
Unemployment Rate - Canada *(percent)*	6.8	6.8
INTEREST RATES (percent)	Jun 29/05	Jun 30/04
Prime Business Rate	4.25	3.75
Conventional Mortgages - 1 year	4.75	4.70
- 5 year	5.70	6.70
US/CANADA EXCHANGE RATE	Jun 29/05	Jun 30/04
(avg. noon spot rate) Cdn $	1.2263	1.3404
US $ *(reciprocal of the closing rate)*	0.8140	0.7497
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	May '05	% change on one year ago
BC	698.81	3.7
Canada	696.25	2.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Labour market characteristics of off-reserve Aboriginal population

It is now possible to examine the labour market characteristics of off-reserve Aboriginals. The data, from an expanded sample of Aboriginal peoples in the labour force survey, highlight some defining characteristics that contribute to their experience. In the past, this type of data has been available from the census but was limited to a snapshot taken in mid-May at five year intervals. A full year of sampled monthly data, fully integrated to the labour force survey, will be of great interest to researchers, policy makers and other users.

On-line at
www.bcstats.gov.bc.ca/data/lfs/abor/ap_index.htm

Released this week by BC STATS

- BC Business Indicators, June 2005
- Current Statistics, June 2005
- Small Business Quarterly, 1st Quarter 2005
- Immigration Highlights, 1st Quarter 2005
- Migration Highlights, 1st Quarter 2005

Next week

- Labour Force Survey, June 2005
- Earnings and Employment Trends, June 2005
- Tourism Sector Monitor, June 2005

BC STATS, Ministry of Labour and Citizens' Services, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca